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US hikes dumping duty on Indian shrimp imports

C.J. Punnathara , Hindu Business Line

Increase unlikely to impact trade, says exporters body

Kochi, March 2: The Sixth Administrative Review on shrimp exports to the US has fixed a 2.51 per cent anti-dumping duty on Indian shrimp consignments, up from 1.69 per cent awarded last year.

However, what is noteworthy of the latest review is that another company, Falcon Marine, has been awarded de-minimus status - they have been awarded duty of 0.5 per cent or less, sources in the Seafood Exporters Association of India (SEAI) said.

Earlier, Devi Seafood had already come under the sub-minimus status. While there have been a small increase in the rate of duty for the country as a whole, SEAI sources said that it will not have any serious implication for trade.

The findings of the Sixth Administrative Review were announced in the US on February 29 and India is still to get the detailed report.

What is salutary, SEAI source pointed out, is that Indian shrimp exports to the US should be out of 'zeroing' at the end of the Seventh Administrative Review period – February 2012 to January 2013.

What is zeroing

While it is inevitable that every country would be forced to sell a very small portion of its export consignment beneath fair-value price mainly under distress conditions, the practice of the US Customs to identify these specific consignments and charge anti-dumping duty on all shipments is known as zeroing.

The World Trade Organisation, in recent rulings ,has declared zeroing as an illegal practice under the WTO guidelines as it was found violating several international and multilateral trade rules.

The removal of zeroing will be welcomed by the Indian trade and is expected to strengthen the country's shrimp exports further.

India's seafood exports increased to Rs 12,191 crore during April-December 2011, with shrimp exports contributing the bulk.

Frozen shrimp

Frozen shrimp exports constituted over 51 per cent of the total value of seafood exports during the period. What is further noteworthy is the fact that US was the single most important shrimp export destination during the period.

The US accounted for 33 per cent of India's total shrimp exports and realised 42 per cent of the shrimp export realisations.

The low rates of anti-dumping duty and positive moves on zeroing would have far reaching positive impact on India's seafood exports.

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Kerala seafood faces Chinese quality bait

Shenoy Karun, Times of India

April 13, 2012, Kochi: A communication gap between the World Trade Organisation (WTO) and Indian authorities might force India's Rs 2,000-crore seafood exports to China to a complete halt. The Administration of Quality Supervision, Inspection and Quarantine (AQSIQ), a Chinese agency which regulates import and export of food products to that country, will implement quality standards from June 1 this year. For now, under new AQSIQ guidelines, only 27 countries have been shortlisted to export marine produce to China. India is not on the list, and Indian authorities blame it squarely on a communication gap between the WTO and India.

"In situations like these, China writes to the WTO, which in turn contacts the member states. WTO might have informed India, but the message didn't reach us," said S K Saxena, director of Delhi-based Export Inspection Council of India, the authorized body to enter into agreements with other nations. "If we were informed earlier, India would have been included in the list," he added. The agency is preparing the required certificates demanded by the Chinese authorities.

In fiscal 2011, Indian seafood exports to China touched 1.59 lakh tonnes, or 20% of the country's production, worth Rs 1,978 crore. Gujarat exported 71,224 tonnes worth Rs 642 crore to China, while Kerala exported 10,985 tonnes worth Rs 132 crore. A top official with Kochi-based Marine Products Export Development Authority (MPEDA) said the issue would be resolved by the end of May. However, exporters, on condition of anonymity, said the situation is grave.

The 27 countries which have received inspection and quarantine certificates from AQSIQ are Vietnam, Thailand, South Korea, Pakistan, Burma, Japan, Philippines, Turkey, France, Denmark, Russia, Norway, the Netherlands, Iceland, Greece, Spain, Ireland, Germany, USA, Canada, Uruguay, Brazil, Chile, Peru, Argentina, Australia and New Zealand.

"India did not take the initiative to meet the Chinese authorities. I suppose MPEDA and the Export Inspection Council (EIC) will visit China and find a solution to the issue," said Norbert Karikkassery, president of the Kerala chapter of Seafood Exporters Association of India (SEAI).

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